敏捷控股
NIMBLE HOLDINGS

NIMBLE HOLDINGS COMPANY LIMITED
敏捷控股有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 186)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

FINANCIAL HIGHLIGHTS

	(Unaudited) Six months ended	
	30 September 2019	30 September 2018
	HK$ million	*HK$ million*
OPERATING RESULTS:		
Revenue	**118**	50
(Loss)/profit for the period attributable to the shareholders of the Company	**(9)**	32
PER SHARE DATA:	***HK cents***	*HK cents*
Basic (loss)/earnings per share	**(0.16)**	0.58
Diluted (loss)/earnings per share	**(0.16)**	0.58

INTERIM RESULTS

The board of directors (the "Board") of Nimble Holdings Company Limited (the "Company") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2019 (the "Period"), together with the comparative figures for the six months ended 30 September 2018 (the "Corresponding Period") and selected explanatory notes, are stated as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2019

		(Unaudited) Six months ended	
		30 September 2019	30 September 2018
	Notes	***HK$ million***	*HK$ million*
REVENUE	*6*	**118**	50
Cost of sales		**(88)**	(29)
Gross profit		**30**	21
Other income		**4**	30
Distribution costs		**(2)**	(2)
Administrative expenses		**(42)**	(35)
Change in fair value of financial assets at FVTPL		**–**	(1)
(LOSS)/PROFIT BEFORE TAXATION	*7*	**(10)**	13
Income tax (charge)/credit	*8*	**(3)**	17
(LOSS)/PROFIT FOR THE PERIOD		**(13)**	30
(LOSS)/PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
Shareholders of the Company		**(9)**	32
Non-controlling interests		**(4)**	(2)
		(13)	30
(LOSS)/EARNINGS PER SHARE	*10*	***HK cents***	*HK cents*
Basic		**(0.16)**	0.58
Diluted		**(0.16)**	0.58

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2019

	Notes	(Unaudited) Six months ended **30 September 2019** ***HK$ million***	30 September 2018 *HK$ million*
(LOSS)/PROFIT FOR THE PERIOD		**(13)**	30
OTHER COMPREHENSIVE LOSS, NET OF TAX:			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		**(2)**	(1)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		**(15)**	29
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD ATTRIBUTABLE TO:			
Shareholders of the Company		**(11)**	31
Non-controlling interests		**(4)**	(2)
		(15)	29

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2019

	Notes	**(Unaudited) As at 30 September 2019** *HK$ million*	(Audited) As at 31 March 2019 *HK$ million*
NON-CURRENT ASSETS			
Plant and equipment		**1**	1
Right-of-use assets		**4**	–
Deferred tax assets		**3**	4
Brands and trademarks	*11*	**166**	166
Financial assets at FVTPL		**7**	7
Other assets		**1**	1
		182	179
CURRENT ASSETS			
Inventories		**21**	28
Accounts receivable	*12*	**74**	5
Prepayments, deposits and other receivables		**8**	7
Tax recoverable		**1**	1
Cash and bank balances		**412**	424
		516	465
CURRENT LIABILITIES			
Accounts payable	*13*	**58**	2
Accrued liabilities and other payables	*14*	**21**	13
Lease liabilities		**2**	–
Tax liabilities		**16**	14
		97	29
NET CURRENT ASSETS		**419**	436

	Notes	**(Unaudited)** **As at** **30 September** **2019** ***HK$ million***	(Audited) As at 31 March 2019 *HK$ million*
NON-CURRENT LIABILITIES			
Lease liabilities		**2**	–
Tax liabilities		**16**	17
		18	17
NET ASSETS		**583**	598
CAPITAL AND RESERVES			
Share capital		**55**	55
Share premium		**386**	386
Reserves		**98**	109
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY		**539**	550
NON-CONTROLLING INTERESTS		**44**	48
TOTAL EQUITY		**583**	598

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2019

1. GENERAL

The Company was incorporated in the Cayman Islands and continued in Bermuda as an exempted company with limited liability under the Companies Law of Bermuda. The address of its registered office is Wessex House, 5th Floor, 45 Reid Street, Hamilton HM12, Bermuda. The principal place of business is Flat C01, 32th Floor, TML Tower, 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong. The shares of the Company (the "Shares") are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company's immediate holding company is Wealth Warrior Global Limited ("Wealth Warrior"), a company incorporated in the British Virgin Islands. The beneficial owner and sole director of Wealth Warrior is Mr. Tan Bingzhao ("Mr. Tan"). As such, the ultimate controlling shareholder of the Company is Mr. Tan.

The Company is an investment holding company. The principal activities of the Company's major subsidiaries are holding and licensing of brands and trademarks on a worldwide basis, distribution of houseware products and audio products in the United States of America (the "USA"), the trading of household appliances in the People's Republic of China (the "PRC") and the provision of information technology system development and related services in the PRC.

The unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars, the functional currency of the Company, and all values are rounded to the nearest million (HK$ million) unless otherwise stated.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and the Hong Kong Accounting Standard ("HKAS") 34 "*Interim Financial Reporting*" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The unaudited condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2019, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

These unaudited condensed consolidated interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's most recent annual consolidated financial statements for the year ended 31 March 2019, except for the adoption of new accounting policies as a result of the adoption of the new and amended HKFRSs as set out in note 3.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatorily effective for the annual period beginning on or after 1 April 2019 ("New HKFRSs") for the preparation of the Group's unaudited condensed consolidated interim financial statements:

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

Except for HKFRS 16 "*Leases*", none of the New HKFRSs have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 16 replaced HKAS 17 "*Leases*" and the related interpretations, HK(IFRIC)-Int 4 "*Determining whether an Arrangement contains a Lease*", HK(SIC)-Int 15 "*Operating Leases – Incentives*", and HK(SIC)-Int 27 "*Evaluating the Substance of Transactions Involving the Legal Form of a Lease*". It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("short-term leases") and leases of low value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

The Group has initially applied HKFRS 16 as from 1 April 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 April 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

(i) New definition of a lease

Under HKFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their stand-alone prices. A practical expedient is available to a lessee, which the Group has adopted, not to separate non-lease components and to account for the lease and the associated non-lease components as a single lease component.

(ii) As a lessee

The Group has lease contracts for various items of properties. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for the exemption of the short-term lease. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases, i.e. leases that at the commencement date have a lease term of 12 months or less. Instead, the Group recognises the lease payments associated with the short-term leases as an expense on a straight-line basis over the lease term.

(a) Significant accounting policies

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

(b) Impacts on transition

Lease liabilities at 1 April 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 April 2019.

The right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the unaudited condensed consolidated statement of financial position immediately before 1 April 2019. The Group elected to present the right-of-use assets separately in the unaudited condensed consolidated statement of financial position.

The Group applied the following practical expedients on transition to HKFRS 16 for those leases which were previously classified as operating leases under HKAS 17:

– Applied the recognition exemption for leases for which the lease term ends within 12 months of the date of initial application of HKFRS 16, i.e. where the lease term ending on or before 31 March 2020

– When measuring the right-of-use assets at the date of initial application of HKFRS 16, the Group relied on the previous assessment for onerous contract provisions as at 31 March 2019 as an alternative to performing an impairment review

(iii) Impacts on unaudited condensed consolidated interim financial statements

The table below explains the difference between operating lease commitments disclosed at 31 March 2019 by applying HKAS 17 and lease liabilities recognised at 1 April 2019 by applying HKFRS 16:

	HK$ million
Operating lease commitment at 31 March 2019	7
Less:	
Leases end within 12 months from the date of initial application	(1)
Operating lease liabilities before discounting at 31 March 2019	6
Effect from discounting at incremental borrowing rate at 1 April 2019*	(1)
Lease liabilities recognised as at 1 April 2019	5
Analysed as:	
– Current lease liabilities	2
– Non-current lease liabilities	3
	5

* *The weighted average incremental borrowing rate was 4.42%.*

Under the transition methods chosen, the Group has adopted the modified retrospective approach to recognise cumulative effect of the initial application of HKFRS 16 as an adjustment to the opening balance at 1 April 2019. Comparative information has not been restated. Line items that were not affected by the changes have not been included in the following table. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The following table gives a summary of the opening balance adjustments recognised for the line items in the unaudited condensed consolidated statement of financial position that have been impacted by HKFRS 16:

	At 31 March 2019, in accordance with HKAS 17	**Impact of initial application of HKFRS 16**	**At 1 April 2019, in accordance with HKFRS 16**
	HK$ million	*HK$ million*	*HK$ million*
	(audited)	(unaudited)	(unaudited)
Right-of-use assets	–	5	5
Total non-current assets	**179**	**5**	**184**
Lease liabilities	–	2	2
Total current liabilities	**29**	**2**	**31**
Lease liabilities	–	3	3
Total non-current liabilities	**17**	**3**	**20**

During the six months ended 30 September 2019, the Group recognised the depreciation charges of approximately HK$972,000 and interest costs of approximately HK$107,000 in relation to those leases under HKFRS 16.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the unaudited condensed consolidated interim financial statements requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the unaudited condensed consolidated interim financial statements, the critical accounting judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that were applied to the audited consolidated financial statements for the year ended 31 March 2019, except for those related to the application of HKFRS 16.

5. SEGMENT INFORMATION

The Group currently organises its operations into the following reportable and operating segments.

Operating segments	**Principal activities**
Emerson	Distribution of houseware products and audio products and licensing business – Comprising a group listed on the NYSE American of the USA
Licensing	Licensing business on a worldwide basis – Comprising the brands and trademarks of Akai, Sansui and Nakamichi
PRC's Household Appliances	Trading of household appliances, wires and cables in the PRC
PRC's Information Technology ("IT") Services	IT system development and related services in the PRC*

* *In order to diversify the businesses and markets of the Group, the management of the Group commenced this new operating segment during the Period.*

(a) Unaudited revenue and results of the Group by operating segments:

For the six months ended 30 September 2019

	Emerson *HK$ million*	Licensing *HK$ million*	PRC's Household Appliances *HK$ million*	PRC's IT Services *HK$ million*	Unallocated *HK$ million*	Consolidated *HK$ million*
Revenue:						
Sale of household appliances, wires and cables to external customers	–	–	75	–	–	75
IT system development and related services to an external customer	–	–	–	4	–	4
Sale of houseware products to external customers	10	–	–	–	–	10
Sale of audio products to external customers	13	–	–	–	–	13
Licensing income from external customers	–	16	–	–	–	16
Total segment revenue	23	16	75	4	–	118
Results:						
Segment results	(15)	8	5	1		(1)
Reconciliations:						
Unallocated corporate expenses					(13)	(13)
Interest income					4	4
Loss before taxation						(10)

For the six months ended 30 September 2018

	Emerson *HK$ million*	Licensing *HK$ million*	Unallocated *HK$ million*	Consolidated *HK$ million*
Revenue:				
Sale of houseware products to external customers	18	–	–	18
Sale of audio products to external customers	18	–	–	18
Licensing income from external customers	1	13	–	14
Total segment revenue	37	13	–	50
Results:				
Segment results	(12)	6		(6)
Reconciliations:				
Unallocated corporate expenses			(10)	(10)
Change in fair value of financial assets at fair value through profit or loss ("FVTPL")			(1)	(1)
Write back of accrued liabilities			27	27
Interest income			3	3
Profit before taxation				13

(b) Assets and liabilities of the Group by operating segments:

	Emerson ***HK$ million***	**Licensing** ***HK$ million***	**PRC's Household Appliances** ***HK$ million***	**PRC's IT Services** ***HK$ million***	**Unallocated** ***HK$ million***	**Inter-segment elimination** ***HK$ million***	**Consolidated** ***HK$ million***
As at 30 September 2019 (unaudited)							
Reportable segment assets	520	1,208	76	5	124	(1,235)	698
Reportable segment liabilities	586	1,455	61	–	34	(2,021)	115
As at 31 March 2019 (audited)							
Reportable segment assets	532	1,186	4	–	146	(1,224)	644
Reportable segment liabilities	583	1,427	2	–	33	(1,999)	46

(c) Geographical segments:

	(Unaudited) Six months ended 30 September 2019 HK$ million	30 September 2018 HK$ million
Revenue:		
PRC	**79**	–
Asia (exclude PRC)	**15**	11
North America		
– USA and Canada	**23**	36
Europe	**1**	3
Total	**118**	50

6. REVENUE

Revenue represents the net invoiced value of goods sold after allowances for returns and trade discounts, licensing income from the Group's brands and trademarks, and IT system development and related services, but excludes intra-group transactions.

An analysis of the Group's revenue from contracts with customers, by principal activities and by timing of recognition of revenue, for the Period is as follows:

	(Unaudited)	
	Six months ended	
	30 September 2019	30 September 2018
	HK$ million	*HK$ million*
By principal activities:		
Sale of goods – a point in time	**98**	36
Licensing income – a point in time	**16**	14
IT system development and related services – a point in time	**4**	–
	118	50

7. (LOSS)/PROFIT BEFORE TAXATION

The (loss)/profit before taxation is arrived at after charging/(crediting):

		(Unaudited) Six months ended	
		30 September 2019	30 September 2018
	Note	***HK$ million***	*HK$ million*
(a) Staff costs			
Directors' and Chief Executive Officer's emoluments		**3**	6
Other staff costs:			
– Salaries and other benefits		**20**	13
– Retirement benefits costs		**2**	1
		25	20
(b) Other items			
Operating lease rentals in respect of land and buildings		**–**	3
Depreciation of right-of-use assets		**1**	–
Auditor's remuneration – current period		**1**	1
Carrying amount of inventories sold		**79**	29
Change in fair value of financial assets at FVTPL		**–**	1
Expected credit loss allowance on accounts receivable	*12*	**2**	–
Write back of accrued liabilities		**–**	(27)
Interest income		**(4)**	(3)
Interest on lease liabilities		**–***	–

* *The amount is less than HK$1 million.*

8. INCOME TAX (CHARGE)/CREDIT

No Hong Kong profits tax has been provided for the Period/Corresponding Period in the unaudited condensed consolidated interim financial statements as there are no assessable profits arising in Hong Kong during both the periods ended 30 September 2019 and 2018.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

	(Unaudited)	
	Six months ended	
	30 September 2019	30 September 2018
	HK$ million	*HK$ million*
Current tax – Overseas	**(2)**	1
Over provision in prior period – Overseas *(Note (i))*	**–**	17
Deferred tax – Overseas	**(1)**	(1)
Income tax (charge)/credit	**(3)**	17

Note (i)

The written back of over-provision amounting to HK$17 million during the Corresponding Period was mainly attributable to the strike-off of Sansui Sales Pte. Limited, a former associate corporation of the Company.

9. DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period (the Corresponding Period: nil).

10. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share:

The calculation of basic (loss)/earnings per share is based on the following data:

	(Unaudited) Six months ended	
	30 September 2019	30 September 2018
	HK$ million	*HK$ million*
(Loss)/profit attributable to the shareholders of the Company used in the basic (loss)/earnings per share calculation	**(9)**	32

	30 September 2019	30 September 2018
	Number of ordinary shares	Number of ordinary shares
	million	*million*
Shares:		
Weighted average number of ordinary shares for the purposes of calculating basic (loss)/earnings per share	**5,492.2**	5,492.2

(b) Diluted (loss)/earnings per share:

Diluted (loss)/earnings per share equals basic (loss)/earnings per share as the Company has no potential ordinary shares in existence during both the periods ended 30 September 2019 and 2018.

11. BRANDS AND TRADEMARKS

	(Unaudited) **30 September** **2019** ***HK$ million***	(Audited) 31 March 2019 *HK$ million*
Gross amount		
At 1 April	**2,026**	2,026
Foreign currency adjustment	**(2)**	–
At 30 September/31 March	**2,024**	2,026
Accumulated amortisation and impairment		
At 1 April	**1,860**	1,766
Foreign currency adjustment	**(2)**	–
Impairment loss recognised during the Period/year ended 31 March 2019 ("Corresponding Year")	**–**	94
At 30 September/31 March	**1,858**	1,860
Carrying amount at 30 September/31 March	**166**	166

Brands and trademarks are allocated to the Group's cash-generating units identified according to operating segments as follows:

	(Unaudited) **30 September** **2019** ***HK$ million***	(Audited) 31 March 2019 *HK$ million*
Emerson	**24**	24
Licensing		
Akai	**82**	82
Nakamichi	**41**	41
Sansui	**19**	19
Sub-total	**142**	142
Total	**166**	166

As there were no significant changes to the operation of the Group's licensing business for the Period, the Directors do not expect there to be any significant changes to the carrying amounts of the brands and trademarks as of 30 September 2019.

12. ACCOUNTS RECEIVABLE

The Group allows an average credit period of 30 to 90 days to its trade customers.

	(Unaudited) 30 September 2019 ***HK$ million***	(Audited) 31 March 2019 *HK$ million*
Gross amount	**77**	6
Less: allowance for doubtful debts	**(3)**	(1)
Net amount	**74**	5

The following are the movements of expected credit loss allowance of accounts receivable during the Period/Corresponding Year:

	(Unaudited) 30 September 2019 ***HK$ million***	(Audited) 31 March 2019 *HK$ million*
At the beginning of the Period/Corresponding Year	**1**	2
Written off	**–**	(1)
Allowance during the Period/Corresponding Year	**2**	–
Exchange difference	**–***	–*
Net amount	**3**	1

* *The amount is less than HK$1 million*

The Directors consider that the carrying amounts of accounts receivable approximate to their fair values.

The ageing analysis of accounts receivable (net of allowance for doubtful debts) is presented based on the invoice dates as follows:

	(Unaudited) **30 September** **2019** ***HK$ million***	(Audited) 31 March 2019 *HK$ million*
0 – 3 months	**74**	5

Before accepting any new customers, the management assesses the potential customer's credit quality with reference to the customer's reputation and market standing and defines the credit limits accordingly. Continuity of the credit limits to the customers is reviewed by management as and when necessary.

13. ACCOUNTS PAYABLE

The ageing analysis of accounts payable is as follows:

	(Unaudited) **30 September** **2019** ***HK$ million***	(Audited) 31 March 2019 *HK$ million*
0 – 3 months	**58**	2

14. ACCRUED LIABILITIES AND OTHER PAYABLES

	(Unaudited) **30 September** **2019** ***HK$ million***	(Audited) 31 March 2019 *HK$ million*
Accrued expenses	**7**	8
Contract liabilities *(Note (i))*	**10**	2
Other payables	**4**	3
	21	13

Note (i)

Contract liabilities represent the Group's obligations to transfer goods or services to its customers for which the Group has received consideration from the customers, before the Group transfers the goods or services to the customers.

MANAGEMENT DISCUSSION AND ANALYSIS

30 September 2019

BUSINESS REVIEW AND PROSPECTS

The Group recorded a revenue of HK$118 million for the Period as compared to HK$50 million for the Corresponding Period, representing an increase of 136%. The increase in revenue was mainly due to (1) the additional revenue of HK$75 million generated from the trading of household appliances, wires and cables in the PRC ("PRC's household appliances business"), which commenced operation in the first quarter of 2019, (2) the revenue of HK$4 million generated from the provision of IT services in the PRC (the "PRC's IT business"), which has commenced operation during the Period, and (3) the increase in revenue generated from the licensing operation of HK$3 million as compared to the Corresponding Period, which was partially offset by the decrease in revenue generated from the distribution of houseware appliances and licensing business of Emerson Radio Corp. ("Emerson") (the "Emerson operation") of HK$14 million as compared to the Corresponding Period.

During the Period, the Group recorded an unaudited net loss attributable to shareholders of HK$9 million, as compared to a net profit attributable to shareholders of HK$32 million for the Corresponding Period. The difference was mainly due to the write back of accrued liabilities with former associated companies of HK$27 million in the Corresponding Period in contrast to no write back of accrued liabilities during the Period.

Set out below are the results of the Group analysed as to the Emerson operation, the licensing operation, PRC's household appliances business and the PRC's IT business.

Emerson operation

Emerson, a 72.4% owned subsidiary (68.3% as at 30 September 2018) whose shares are listed on the NYSE American in the USA, generated revenue through distribution of houseware products and audio products and licensing of its brand in North America. Its major customers during the Period included Wal-Mart, Amazon.com and Fred Meyer. Revenue generated from the distribution of houseware products and audio products of Emerson for the Period was HK$23 million as compared to HK$36 million for the Corresponding Period, showing a decrease of 36.1%. The decrease in revenue was mainly due to a model discontinuation in microwave ovens by one of Emerson's key customers and the decrease in sales of clock radios. No revenue was recorded from Emerson's licensing for the Period as compared to HK$1 million for the Corresponding Period. The year-over-year decrease can be attributed to the non-renewal of one of the Emerson's licensees, which expired in December 2018.

Licensing operation

The Group also owns three internationally recognized consumer electronic brands, namely, Akai, Sansui and Nakamichi. Through licensing of these brands to independent third parties, this operation generates steady income to the Group. Revenue generated from this operation for the Period was HK$16 million as compared to HK$13 million for the Corresponding Period, representing an increase of 23.1%. The operating profit of this operation for the Period was HK$8 million as compared to HK$6 million for the Corresponding Period, representing an increase of 33.3%. Revenue and profit generated by this operation were relatively stable as compared to other operations of the Group.

As at 30 September 2019, there were a total of 31 contracts (2018: 29) in force with licensees to distribute products in the brand names of Akai, Sansui and Nakamichi around the world.

PRC's household appliances business

The management considers that while continuing the development of the existing Emerson operation and the licensing operation, it is necessary for the Group to explore other business opportunities with a view to broadening the Group's revenue base going forward. Leveraging on the Group's experience in the distribution of houseware products in the USA, the Group has expanded its market in the PRC and commenced trading of household appliances in the PRC in the first quarter of 2019. A wholly owned subsidiary of the Company was incorporated in the PRC in October 2018 to set up a new household appliances trading operation. During the Period, this operation has generated a revenue of approximately HK$75 million and an operating profit of HK$5 million. The products traded in this operation mainly include household appliances, wires and cables.

PRC's IT business

In addition to the setup of the household appliances trading operation in the PRC, the Group has also commenced the provision of IT services in the PRC since the second quarter of 2019 through its newly established subsidiary. The principal business scope of this operation is to provide IT system development and related services to enhance customers' competitiveness through big data analysis, online and offline integration development as well as advancement of internetisation. During the Period, this newly established operation has generated a revenue of approximately HK$4 million and an operating profit of HK$1 million.

Prospect

Due to the ongoing trade war between the USA and China, Emerson's products may be subject to additional tariffs. Although Emerson is monitoring the trade environment and working to mitigate the possible effect of tariffs with its suppliers as well as its customers through pricing and sourcing strategies, including drawing down inventory built up in advance of the recent tariff increases, Emerson cannot be certain how its customers and competitors will react. At this moment, Emerson is unable to quantify the possible effects on its costs arising from the new tariffs, which are expected to increase its inventory costs and associated costs of sales as tariffs are incurred, and some costs may be passed to its customers as product price increases in the future. However, if Emerson is unable to successfully pass the additional costs or otherwise mitigate the effects of these tariffs, or if the higher prices reduce the demand for Emerson's products, it will have a negative effect on Emerson's product sales and gross margins.

In respect of the licensing operation, the management expects that it will continue to generate steady income to the Group for the second half of the year.

Regarding the operation of PRC's household appliances business, the management expects that trading of household appliances, wires and cables will remain to be a new source of income to the Group.

The operation of the PRC's IT business was launched during the Period and produced a reasonable operating profit to the Group. Although the market is quite competitive, the management will continue to explore opportunities in this operation in order to strive for a stable income.

On 1 August 2019, Guangzhou Ruihua Property Development Company Limited*（廣州市瑞華物業發展有限公司）("Guangzhou Ruihua"), an indirect wholly-owned subsidiary of the Company entered into a capital increase agreement with Guangzhou Minjie Real Estate Development Co., Ltd.*（廣州市敏捷房地產開發有限公司）("Guangzhou Minjie") and Changsha Ningxiang Minjun Real Estate Development Co., Ltd.*（長沙市寧鄉敏駿房地產開發有限公司）("Changsha Minjun") (the "Capital Increase Agreement"), pursuant to which Guangzhou Ruihua will make a capital contribution in the sum of RMB10,408,200 in cash to the registered capital of Changsha Minjun and Guangzhou Minjie will pay up the unpaid capital contribution to Changsha Minjun amounting to RMB4,345,000 (the "Transaction"). The aforesaid RMB10,408,200 was regarded as a capital commitment of the Group as of 30 September 2019. Upon completion of the Transaction, Guangzhou Ruihua and Guangzhou Minjie will directly own 51% and 49% equity interests of Changsha Minjun respectively. Details of the Transaction are set out in the circular of the Company dated 19 September 2019. The Company obtained independent shareholders' approval on the Transaction on 10 October 2019.

Changsha Minjun is principally engaged in property development and operation in the PRC and it owns a land comprising of a site area of 49,502.99 sq.m. in Ningxiang, Hunan. It is expected to build an estimated gross floor area of approximately 193,000 sq.m. for residential use. As at the date of this announcement, Changsha Minjun has already obtained the relevant certificates to commence development and construction.

Following completion of the Transaction, which is expected to take place on 30 November 2019, the Group shall expand its principal activities to property development in the PRC. The Company believes that the Transaction will diversify the Group's business scope and strengthen and expand its source of revenue. Looking forward, while continuing the development of the Group's existing businesses, the Group will expand the scale of its property development business in the PRC so as to diversify the Group's revenue base and improve the Group's profitability in order to achieve a sustainable long-term growth in both financial and operating performance of the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2019, the Group had a current ratio of approximately 5.32 (16.03 as at 31 March 2019).

As at 30 September 2019, the Group had HK$412 million cash and bank balances (HK$424 million as at 31 March 2019). The Group's working capital requirements were mainly financed by internal resources.

The Group had inventories of approximately HK$21 million as at 30 September 2019 (HK$28 million as at 31 March 2019).

As at 30 September 2019, the Group had net current assets of HK$419 million as compared to net current assets of HK$436 million as at 31 March 2019.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

Other than the Transaction (details of the Transaction are set out in the circular of the Company dated 19 September 2019), the Group did not make any other material acquisition and disposal of subsidiaries and affiliated companies during the Period.

MATERIAL EVENTS AFTER THE PERIOD

Save as disclosed herein, there were no significant events occurred after the Period.

SIGNIFICANT INVESTMENT

Other than the Capital Increase Agreement as mentioned above, the Group did not enter into any new significant investment during the Period.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Other than the Capital Increase Agreement as mentioned above, the Group does not have any concrete plan for material investments or capital assets for the coming 12 months.

GEARING RATIO

As the Group does not have any interest bearing debts, both the gearing ratio as at 30 September 2019 and 31 March 2019 were nil.

CONTINGENT LIABILITIES

Except for the case set out below, the Group did not have significant contingent liabilities as at 30 September 2019 and up to the date of this announcement.

In an order made by the High Court of Hong Kong Special Administrative Region (the "High Court") on 9 May 2016 in respect of case HCCW 177/2011 the Company is required to:

(i) indemnify and keep indemnified the former provisional liquidators in the event that the funds paid into court are insufficient to meet the taxed fees and expenses of the former provisional liquidators; and

(ii) indemnify and keep indemnified Mr. Fok Hei Yu and FTI Consulting (Hong Kong) Limited in respect of the costs of the defence of proceedings HCA 92/2014 ("the Action"), subject to the final determination of the Action. HCA 92/2014 is a legal case filed in January 2014 in the High Court by Sino Bright Enterprises Co., Ltd. against Mr. Fok Hei Yu and FTI Consulting (Hong Kong) Limited for alleged misrepresentation and the case is ongoing.

As at the date of this announcement, the Company has received no such requests for the related fees, costs and expenses.

The management is of the view that no provision is necessary for the matter described above, after having considered the merits.

CHARGES ON GROUP ASSETS

As at 30 September 2019, no assets were pledged to secure other borrowing facilities for the Group (as at 31 March 2019: nil).

TREASURY POLICIES

The Group's revenues are mainly in US dollars and RMB. Since the HK dollar is linked with the US dollar, the Group is not exposed to significant currency risks in transaction dealt in US dollars. However, for transaction dealt in RMB, the Group will be exposed to foreign currency risks. The Group has not engaged in any particular hedge against foreign currency risks. The Group will closely monitor and manage its foreign currency exposure and to make use of appropriate measures when required.

EMPLOYEES AND REMUNERATION POLICIES

The number of employees of the Group as at 30 September 2019 was 73 (53 as at 31 March 2019). The Group remunerates its employees mainly based on industry practice, individual performance and experience. Apart from the basic remuneration, a discretionary bonus may be granted to eligible employees by reference to the Group's performance as well as to an individual's performance in the relevant financial year. Other benefits include medical and retirement schemes.

DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the Period (the Corresponding Period: nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities during the Period.

CORPORATE GOVERNANCE PRACTICES

The Directors confirmed that the Company has complied with all principles and code provisions in the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 to the Listing Rules during the Period, except for the code provisions of the CG Code as noted hereunder.

Under code provision A.2.1 of the Code, the roles of the Chairman of the Board and the Chief Executive Officer should be separate and should not be performed by the same individual. However, since the appointment of Mr. Tan as a Director of the Company on 2 December 2017, he was also appointed as the Chairman of the Board and the Chief Executive Officer of the Company.

The Board has considered that the non-segregation would not result in concentration of power in one person and has the advantage of a strong and consistent leadership which is conducive to making and implementing decisions quickly and consistently.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rule as its own code of conduct regarding securities transactions by the Directors. Specific enquiry has been made of all Directors and all of them have confirmed that they have complied with the required standards as set out in the Model Code during the Period.

REVIEW OF INTERIM FINANCIAL REPORT

The audit committee of the Company has reviewed and confirmed with the management of the Company the unaudited condensed consolidated interim results of the Group for the Period and the Corresponding Period, the accounting principles and practices adopted by the Group, and discussed risk management, internal controls and financial reporting matters. At the request of the Directors, the Company's external auditor, Moore Stephens CPA Limited, has carried out a review of the said unaudited condensed consolidated interim financial statements in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

PUBLICATION OF 2019 INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.nimbleholding.com). The 2019 interim report will be despatched to the shareholders of the Company and available on the above websites in due course.

By order of the Board
Nimble Holdings Company Limited
Tan Bingzhao
Chairman

Hong Kong, 29 November 2019

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Tan Bingzhao and Mr. Deng Xiangping; and three independent non-executive Directors, namely, Dr. Lin Jinying, Dr. Lu Zhenghua and Dr. Ye Hengqing.

* *For identification purpose only*